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Attachment E

Proposed Customer Notice

California American Water Notice of Application

Para más información en cómo este cambio impactará su factura, llame al 1-888-237-1333.

NOTICE OF APPLICATION

California American Water's Request to Increase Rates

APPLICATION A.21-11-XXX of California-American Water Company to Obtain Approval of the Amended and Restated Water Purchase Agreement for the Pure Water Monterey Groundwater Replenishment Project, Update Supply and Demand Estimates for the Monterey Peninsula Water Supply Project, and Cost Recovery

Why am I receiving this notice?

On November 29, 2021, California American Water filed its Application to Obtain Approval of the Amended and Restated Water Purchase Agreement for the Pure Water Monterey Groundwater Replenishment Project, Update Supply and Demand Estimates for the Monterey Peninsula Water Supply Project, and Cost Recovery (A.21-11-XXX) with the California Public Utilities Commission (CPUC). The application is requesting a total of \$24.78 million of increased revenue phased through 2025, of which \$8.49 million is related to expansion of the Pure Water Monterey facility and \$16.29 million is related to cost recovery of necessary related California American Water capital improvements.

If the CPUC approves this application, California American Water will recover forecasted costs in rates over a three-year period beginning January 1, 2023. This will impact your bill.

Why is California American Water requesting this rate increase?

- The increase will cover costs to purchase water from the planned expansion of the Pure Water Monterey recycled water project and to construct company facilities, including pipelines, wells, and pump stations that are needed to deliver the Pure Water Monterey Project's advanced treated recycled water from the Seaside Groundwater Basin to our customers. The increase is expected to be implemented in three phases as new facilities are built and operational.
- The Pure Water Monterey Project uses advanced water recycling technology to treat wastewater to certain standards so that it may be injected in the Seaside Groundwater Basin, mixed with other sources of water and, after a defined period of time, be extracted and delivered to customers for potable use. The expansion of this project is necessary, given state-imposed cutbacks to the Carmel River and limits on groundwater pumping in the Seaside Groundwater Basin.
- The additional facilities will improve California American Water's ability to efficiently manage its limited supplies even before the expanded Pure Water Monterey Project is constructed.

How could this affect my water bill?

If California American Water's rate request is approved by the CPUC, the average residential bill with a 5/8" meter using 38.44 CGL per month would increase by approximately \$27.24 or 22.7% by 2025. As provided in the table below this overall increase would be phased in gradually over a period of 3 years from 2023 through 2025.

Monterey Proposed Revenue Increase									
	Jan 2023 ⁽¹⁾		July 2024 ⁽²⁾		Jan 2025 ⁽³⁾		Sept 2025 ⁽⁴⁾		
<u>Customer Class</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>Total \$ Increase</u>
Residential	1,740,870	4.55%	4,590,103	11.48%	2,577,151	5.78%	4,991,359	10.58%	13,899,484
Multi-Residential	282,690	4.65%	1,106,026	17.38%	418,625	5.60%	810,527	10.27%	2,617,869
Commercial	840,560	4.29%	2,356,875	11.54%	1,244,144	5.46%	2,409,754	10.03%	6,851,334
Industrial	4,204	4.35%	11,634	11.53%	6,222	5.53%	12,051	10.15%	34,111
Public Authority	165,333	4.43%	406,400	10.42%	244,721	5.68%	473,994	10.41%	1,290,448
Sale for Resale	972	9.17%	2,592	22.39%	1,439	10.16%	2,787	17.86%	7,791
Construction	13,218	5.57%	11,736	4.68%	19,543	7.45%	37,928	13.46%	82,425
	3,047,848		8,485,367		4,511,846		8,738,401		24,783,461

(1) Includes revenue requirement increases for the Parallel Pipeline and Carmel Valley Pump Station (Approximately Jan 2023)

(2) Includes increase in purchased water surcharge (Approximately July 2024)

(3) Includes revenue requirement increases for Extraction Well 1&2 and Chemical Treatment Facility (Approximately Jan 2025)

(4) Includes revenue requirement increases for Extraction Wells 3&4 (Approximately Sept 2025)

Monterey Service Area						
Year	Meter	Average Use	Current Bill	% Increase	\$ Increase	Total Bill
	Size	(CGL)				
Jan 2023 ⁽¹⁾⁽²⁾	5/8-inch	38.44	\$120.19	2.37%	\$2.85	\$123.04
July 2024 ⁽³⁾	5/8-inch	38.44	\$123.04	9.76%	\$12.01	\$135.05
Jan 2025 ⁽⁴⁾	5/8-inch	38.44	\$135.05	3.12%	\$4.22	\$139.27
Sept 2025 ⁽⁵⁾	5/8-inch	38.44	\$139.27	5.86%	\$8.17	\$147.43

(1) Current Bill reflects 2021 Test Year Rates Authorized in D.21-11-018

(2) Includes revenue requirement increases for the Parallel Pipeline and Carmel Valley Pump Station (Approximately Jan 2023)

(3) Includes increase in purchased water surcharge (Approximately July 2024)

(4) Includes revenue requirement increases for Extraction Wells 1&2 Chemical Treatment Facility (Approximately Jan 2025)

(5) Includes revenue requirement increases for Extraction Wells 3&4 (Approximately Sept 2025)

How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt California American Water's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding will review California American Water's application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information, please call **1-415-703-1584**, email PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Your participation by providing your thoughts on California American Water's request can help the CPUC make an informed decision.

Where can I get more information?

Contact California American Water

Phone: (916) 568-4246

Email: ca.rates@amwater.com

Mail: 511 Forest Lodge Road, Suite 100, Pacific Grove, CA 93950

A copy of the Application and any related documents may also be reviewed at: <https://bit.ly/3I4nOgf>

Contact CPUC

Please visit apps.cpuc.ca.gov/c/A2111XXX to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**

Email: Public.Advisor@cpuc.ca.gov

Mail: CPUC Public Advisor's Office

505 Van Ness Avenue

San Francisco, CA 94102

Please reference **Application A.21-11-XXX** in any communications you have with the CPUC regarding this matter.